

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7249

BILL NUMBER: HB 1580

NOTE PREPARED: Jan 22, 2009

BILL AMENDED:

SUBJECT: Soil and Septic System Education and Research.

FIRST AUTHOR: Rep. Kersey

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___ GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Soil and Septic System Education and Research Council.* This bill establishes the Soil and Septic System Education and Research Council.

Soil and Septic System Education and Research Program. The bill requires the Dean of Agriculture of Purdue University to establish and administer a soil and septic system education and research program.

Soil and Septic System Education and Research Fund. It establishes the Soil and Septic System Education and Research Fund. The council must recommend expenditures from the fund for the soil and septic system education and research program.

Fees. The board of each county health department (and the Marion County Health and Hospital Corporation) must impose a fee of \$10 on each permit issued by the county health department or the county for the operation, installation, construction, repair, or replacement of a septic system. Fees must be paid to the Treasurer of State for distribution to the fund.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Soil and Septic System Education and Research Program.* The bill provides that the Dean of Agriculture of Purdue University, or designee, must serve as the director of the Soil and Septic System Education and Research Program. The director may contract with a qualified organization, agency, or individual to perform any parts of the soil and septic system education and research program. Expenses of operating the program must be paid from a fund established by the bill.

Soil and Septic System Education and Research Fund. The fund may not be used for political or legislative activity of any kind. The director administers the fund. Expenses of administering the fund must be paid from money in the fund.

Soil and Septic System Education and Research Council. The council must have at least five and not more than nine members. Four members are state employees. The council must recommend expenditures from the Soil and Septic System Education and Research Fund for the Soil and Septic System Education and Research Program; and for the administration of provisions of the bill. The director must consider the advice, recommendations, and assistance of the council for the expenditure of funds for the program and for administration. Expenses for travel and per diem of the council would be paid from the Research Fund.

Fees. The State Treasurer must transfer the fees to the Soil and Septic System Education and Research Fund each month. The State Treasurer should be able to cover any additional administrative costs associated with this provision given existing level of resources.

Explanation of State Revenues: *Fees.* The board of each county health department must impose a fee of \$10 on each permit issued by the county health department or the county for the operation, installation, construction, repair, or replacement of a septic system. Any fees collected must be paid by the county treasurer to the State Treasurer each month. The State Treasurer must transfer fees to the Soil and Septic System Education and Research Fund.

The amount of revenue that will be generated by the fee will depend on new construction or repair of septic systems in generally rural areas that require septic systems as opposed to sewers. If housing starts are down, the fee would generate less revenue. About 1/3 of Indiana residents use septic systems, and of these 800,000 systems, the Indiana State Department of Health estimates that about 25% are failing. If each year 5% of these homeowners opted to repair their septic systems and obtain a permit, the bill would generate around \$100,000 annually. (Additional information regarding septic system permits will be provided when it becomes available.)

Soil and Septic System Education and Research Fund. The fund consists the \$10 county fee permit for installation or repair of a septic system, appropriations, gifts, or grants. Money in the fund at the end of a fiscal year does not revert to the state General Fund.

Explanation of Local Expenditures: *Fees.* The \$10 permit fees that are collected must be paid by the county treasurer to the treasurer of state not later than the fifteenth day of the month following the month in which the fees are collected. This provision will increase administrative expenses incurred by the county and will vary by county.

Explanation of Local Revenues: *Fees.* Fees collected must be paid by the county treasurer to the State Treasurer. The State Treasurer must transfer fees to the Soil and Septic System Education and Research Fund.

State Agencies Affected: State Treasurer; Purdue University.

Local Agencies Affected: Counties.

Information Sources: John Baugh, Director, Agriculture Services and Regulations, Purdue University, Office of the Dean of Agriculture, AGAD Building, 615 W. State Street, West Lafayette , IN 47907-2053,

765-427-5063; U.S. Geological Survey, <http://water.usgs.gov/wrri/08grants/2008IN244B.html>; ISDH.

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